

Senate File 197 - Introduced

SENATE FILE _____
BY COMMITTEE ON LABOR AND
BUSINESS RELATIONS

(SUCCESSOR TO SSB 1052)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to unemployment insurance benefits and compliance
2 with federal law regarding and in order to qualify for
3 funding, and including effective and applicability dates.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1434SV 83
6 ak/rj/14

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1 1 Section 1. Section 96.3, subsection 5, Code 2009, is
1 2 amended to read as follows:
1 3 5. a. DURATION OF BENEFITS. The maximum total amount of
1 4 benefits payable to an eligible individual during a benefit
1 5 year shall not exceed the total of the wage credits accrued to
1 6 the individual's account during the individual's base period,
1 7 or twenty-six times the individual's weekly benefit amount,
1 8 whichever is the lesser. The director shall maintain a
1 9 separate account for each individual who earns wages in
1 10 insured work. The director shall compute wage credits for
1 11 each individual by crediting the individual's account with
1 12 one-third of the wages for insured work paid to the individual
1 13 during the individual's base period. However, the director
1 14 shall recompute wage credits for an individual who is laid off
1 15 due to the individual's employer going out of business at the
1 16 factory, establishment, or other premises at which the
1 17 individual was last employed, by crediting the individual's
1 18 account with one-half, instead of one-third, of the wages for
1 19 insured work paid to the individual during the individual's
1 20 base period. Benefits paid to an eligible individual shall be
1 21 charged against the base period wage credits in the
1 22 individual's account which have not been previously charged,
1 23 in the inverse chronological order as the wages on which the
1 24 wage credits are based were paid. However if the state "off
1 25 indicator" is in effect and if the individual is laid off due
1 26 to the individual's employer going out of business at the
1 27 factory, establishment, or other premises at which the
1 28 individual was last employed, the maximum benefits payable
1 29 shall be extended to thirty-nine times the individual's weekly
1 30 benefit amount, but not to exceed the total of the wage
1 31 credits accrued to the individual's account.

1 32 b. TRAINING EXTENSION BENEFITS.

1 33 (1) An individual who has been separated from a declining
1 34 occupation or who has been involuntarily separated from
1 35 employment as a result of a permanent reduction of operations
2 1 at the last place of employment and who is in training with
2 2 the approval of the director or in a job training program
2 3 pursuant to the Workforce Investment Act of 1998, Pub. L. No.
2 4 105-220, at the time regular benefits are exhausted, may be
2 5 eligible for training extension benefits.

2 6 (2) A declining occupation is one in which there is a lack
2 7 of sufficient current demand in the individual's labor market
2 8 area for the occupational skills for which the individual is
2 9 fitted by training and experience or current physical or
2 10 mental capacity, and the lack of employment opportunities is
2 11 expected to continue for an extended period of time, or the
2 12 individual's occupation is one for which there is a seasonal
2 13 variation in demand in the labor market and the individual has
2 14 no other skill for which there is current demand.

2 15 (3) The training extension benefit amount shall be
2 16 twenty-six times the individual's weekly benefit amount and
2 17 the weekly benefit amount shall be equal to the individual's
2 18 weekly benefit amount for the claim in which benefits were
2 19 exhausted while in training.

2 20 (4) An individual who is receiving training extension
2 21 benefits shall not be denied benefits due to application of
2 22 section 96.4, subsection 3, or section 96.5, subsection 3.
2 23 However, an employer's account shall not be charged with
2 24 benefits so paid. Relief of charges under this paragraph "b"
2 25 applies to both contributory and reimbursable employers,
2 26 notwithstanding section 96.8, subsection 5.

2 27 (5) In order for the individual to be eligible for
2 28 training extension benefits, all of the following criteria
2 29 must be met:

2 30 (a) The training must be for a high-demand occupation or
2 31 high-technology occupation, including the fields of life
2 32 sciences, advanced manufacturing, biotechnology, alternative
2 33 fuels, insurance, and environmental technology. "High-demand
2 34 occupation" means an occupation in a labor market area in
2 35 which the department determines work opportunities are
3 1 available and there is a lack of qualified applicants.

3 2 (b) The individual must file any unemployment insurance
3 3 claim to which the individual becomes entitled under state or
3 4 federal law, and must draw any unemployment insurance benefits
3 5 on that claim until the claim has expired or has been
3 6 exhausted, in order to maintain the individual's eligibility
3 7 under this paragraph "b". Training extension benefits end
3 8 upon completion of the training even though a portion of the
3 9 training extension benefit amount may remain.

3 10 (c) The individual must be enrolled and making
3 11 satisfactory progress to complete the training.

3 12 Sec. 2. Section 96.3, subsection 6, paragraph b, Code
3 13 2009, is amended to read as follows:

3 14 b. The director shall prescribe fair and reasonable
3 15 general rules applicable to part-time workers, for determining
3 16 their full-time weekly wage, and the total wages in employment
3 17 by employers required to qualify such workers for benefits.
3 18 An individual is a part-time worker if a majority of the weeks
3 19 of work in such individual's base period includes part-time
3 20 work. Part-time workers are not required to be available for,
3 21 seek, or accept full-time employment.

3 22 Sec. 3. Section 96.4, subsection 4, Code 2009, is amended
3 23 to read as follows:

3 24 4. a. The individual has been paid wages for insured work
3 25 during the individual's base period in an amount at least one
3 26 and one-quarter times the wages paid to the individual during
3 27 that quarter of the individual's base period in which the
3 28 individual's wages were highest; provided that the individual
3 29 has been paid wages for insured work totaling at least three
3 30 and five-tenths percent of the statewide average annual wage
3 31 for insured work, computed for the preceding calendar year if
3 32 the individual's benefit year begins on or after the first
3 33 full week in July and computed for the second preceding
3 34 calendar year if the individual's benefit year begins before
3 35 the first full week in July, in that calendar quarter in the
4 1 individual's base period in which the individual's wages were
4 2 highest, and the individual has been paid wages for insured
4 3 work totaling at least one-half of the amount of wages
4 4 required under this ~~subsection~~ subsection paragraph in the calendar
4 5 quarter of the base period in which the individual's wages
4 6 were highest, in a calendar quarter in the individual's base
4 7 period other than the calendar quarter in which the
4 8 individual's wages were highest. The calendar quarter wage
4 9 requirements shall be rounded to the nearest multiple of ten
4 10 dollars.

4 11 b. For an individual who does not have sufficient wages in
4 12 the base period, as defined in section 96.19, to otherwise
4 13 qualify for benefits pursuant to this subsection, the
4 14 individual's base period shall be the last four completed
4 15 calendar quarters immediately preceding the first day of the
4 16 individual's benefit year if such period qualifies the
4 17 individual for benefits under this subsection.

4 18 (1) Wages that fall within the alternative base period
4 19 established under this paragraph "b" are not available for
4 20 qualifying benefits in any subsequent benefit year.

4 21 (2) Employers shall be charged in the manner provided in
4 22 this chapter for benefits paid based upon quarters used in the
4 23 alternative base period.

4 24 c. If the individual has drawn benefits in any benefit
4 25 year, the individual must during or subsequent to that year,

4 26 work in and be paid wages for insured work totaling at least
4 27 two hundred fifty dollars, as a condition to receive benefits
4 28 in the next benefit year.

4 29 Sec. 4. Section 96.7, subsection 2, paragraph a,
4 30 subparagraph (2), Code 2009, is amended by adding the
4 31 following new subparagraph division:

4 32 NEW SUBPARAGRAPH DIVISION. (e) The account of an employer
4 33 shall not be charged with benefits paid to an individual who
4 34 is laid off if the benefits are paid as the result of the
4 35 return to work of a permanent employee who is one of the
5 1 following:

5 2 (i) A member of the national guard or organized reserves
5 3 of the armed forces of the United States ordered to temporary
5 4 duty, as defined in section 29A.1, subsection 3, 11, or 12,
5 5 for any purpose, who has completed the duty as evidenced in
5 6 accordance with section 29A.43.

5 7 (ii) A member of the civil air patrol performing duty
5 8 pursuant to section 29A.3A, who has completed the duty as
5 9 evidenced in accordance with section 29A.43.

5 10 Sec. 5. Section 96.20, subsection 2, Code 2009, is amended
5 11 to read as follows:

5 12 2. The department may enter into arrangements with the
5 13 appropriate agencies of other states, or a contiguous country
5 14 with which the United States has an agreement with respect to
5 15 unemployment compensation or of the federal government (a)
5 16 whereby wages or services, upon the basis of which an
5 17 individual may become entitled to benefits under the
5 18 unemployment compensation law of another state or of the
5 19 federal government, shall be deemed to be wages for employment
5 20 by employers for the purposes of section 96.3 and section
5 21 96.4, subsection 5; provided such other state agency or agency
5 22 of the federal government has agreed to reimburse the fund for
5 23 such portion of benefits paid under this chapter upon the
5 24 basis of such wages or services as the department finds will
5 25 be fair and reasonable as to all affected interests, and (b)
5 26 whereby the department will reimburse other state or federal
5 27 agencies charged with the administration of unemployment
5 28 compensation laws with such reasonable portion of benefits,
5 29 paid under the law of any such other states or of the federal
5 30 government upon the basis of employment or wages for
5 31 employment by employers, as the department finds will be fair
5 32 and reasonable as to all affected interests. Reimbursements
5 33 so payable shall be deemed to be benefits for the purposes of
5 34 section 96.3, subsection 5, paragraph "a", and section 96.9,
5 35 but no reimbursement so payable shall be charged against any
6 1 employer's account for the purposes of section 96.7, unless
6 2 wages so transferred are sufficient to establish a valid claim
6 3 in Iowa, and that such charges shall not exceed the amount
6 4 that would have been charged on the basis of a valid claim.
6 5 The department is hereby authorized to make to other state or
6 6 federal agencies and receive from such other state or federal
6 7 agencies, reimbursements from or to the fund, in accordance
6 8 with arrangements pursuant to this section. The department
6 9 shall participate in any arrangements for the payment of
6 10 compensation on the basis of combining an individual's wages
6 11 and employment covered under this Act with the individual's
6 12 wages and employment covered under the unemployment
6 13 compensation laws of other states which are approved by the
6 14 United States secretary of labor in consultation with the
6 15 state unemployment compensation agencies as reasonably
6 16 calculated to assure the prompt and full payment of
6 17 compensation in such situations and which include provisions
6 18 for: Applying the base period of a single state law to a
6 19 claim involving the combining of an individual's wages and
6 20 employment covered under two or more state unemployment
6 21 compensation laws, and avoiding the duplication use of wages
6 22 and employment by reason of such combining.

6 23 Sec. 6. Section 96.23, subsection 1, paragraph b, Code
6 24 2009, is amended to read as follows:

6 25 b. The individual did not receive wages from insured work
6 26 for two calendar quarters and did not receive wages from
6 27 insured work for another calendar quarter equal to or greater
6 28 than the amount required for a calendar quarter, other than
6 29 the calendar quarter in which the individual's wages were
6 30 highest, under section 96.4, subsection 4, paragraph "a".

6 31 Sec. 7. Section 96.40, subsection 8, Code 2009, is amended
6 32 to read as follows:

6 33 8. An individual shall not be entitled to receive shared
6 34 work benefits and regular unemployment compensation benefits
6 35 in an aggregate amount which exceeds the maximum total amount
7 1 of benefits payable to that individual in a benefit year as

7 2 provided under section 96.3, subsection 5, paragraph "a".
7 3 Notwithstanding any other provisions of this chapter, an
7 4 individual shall not be eligible to receive shared work
7 5 benefits for more than twenty-six calendar weeks during the
7 6 individual's benefit year.

7 7 Sec. 8. FUTURE APPROPRIATION OF FEDERAL FUNDS. Any funds
7 8 received by this state from the federal government pursuant to
7 9 section 903 of the federal Social Security Act as a result of
7 10 the enactment of this Act are appropriated by the general
7 11 assembly to the department of workforce development to be
7 12 placed in the unemployment compensation trust fund. The
7 13 computation date provided in section 96.19, subsection 8,
7 14 shall be delayed until the funds pursuant to section 903 of
7 15 the federal Social Security Act are received by the state but
7 16 the computation date shall be no later than September 5, 2009,
7 17 if the funds are not received on or before that date. The
7 18 contribution rate table calculation shall use data as of July
7 19 1, 2009, except for inclusion in the unemployment compensation
7 20 trust fund balance of funds received pursuant to section 903
7 21 of the Social Security Act.

7 22 Sec. 9. APPLICABILITY AND EFFECTIVE DATES. The section of
7 23 this Act amending section 96.3 applies to any week of
7 24 unemployment benefits beginning on or after July 5, 2009. The
7 25 section of this Act amending section 96.4 applies to any new
7 26 claim of unemployment benefits with an effective date on or
7 27 after July 5, 2009.

7 28 EXPLANATION

7 29 This bill relates to unemployment insurance benefits and
7 30 brings Iowa into compliance with federal law in order to
7 31 receive additional federal funds.

7 32 The bill establishes training extension benefits. An
7 33 individual who has been separated from a declining occupation
7 34 or who involuntarily lost a job due to a permanent reduction
7 35 in operations but who is in an approved job training program
8 1 when the individual's regular unemployment benefits run out
8 2 may be eligible for training extension benefits. A declining
8 3 occupation is defined as one in which there is a lack of
8 4 sufficient current demand in the labor market for which the
8 5 individual has skills or experience. The training extension
8 6 benefit amount is no more than 26 times the individual's
8 7 weekly benefit amount and equal to the weekly benefit amount.
8 8 Employers shall not be charged for an individual's extension
8 9 training benefits.

8 10 In order to be eligible for the training extension
8 11 benefits, an individual must be in training for a high-demand
8 12 occupation, which is defined in the bill, or high-technology
8 13 occupation; must file any unemployment insurance claim to
8 14 which the individual becomes entitled to under state or
8 15 federal law; and must be enrolled and be making satisfactory
8 16 progress in the training.

8 17 The bill states that if an individual is a part-time worker
8 18 a majority of the weeks of work in the individual's base
8 19 period, then the part-time worker is not required to be
8 20 available for, seek, or accept full-time employment.

8 21 An alternate method of calculating the base period, to
8 22 determine the monetary attachment-to-the-workforce eligibility
8 23 of individuals for unemployment benefits, is included for
8 24 cases where the current method of calculation makes an
8 25 individual ineligible for unemployment benefits. The bill
8 26 moves the base period closer, by one quarter, to the benefit
8 27 claim filing date so that the base period would consist of the
8 28 first four calendar quarters immediately preceding the
8 29 calendar quarter in which the claim for unemployment benefits
8 30 is filed if doing so would qualify the individual for
8 31 benefits.

8 32 The bill waives employer charges for unemployment claims
8 33 stemming from temporary workers who have replaced active-duty
8 34 military employees. The bill prevents the account of an
8 35 employer from being charged if benefits are paid to an
9 1 individual who is laid off as the result of the return to work
9 2 of a permanent employee who is a member of the national guard
9 3 of the United States armed forces reserves ordered to
9 4 temporary duty, as defined in Code section 29A.1, subsection
9 5 3, 11, or 12, for any purpose and who has completed the duty,
9 6 or who is a member of the civil air patrol performing duty
9 7 pursuant to Code section 29A.3A and who has completed the
9 8 duty.

9 9 Any funds received from the federal government due to the
9 10 bill's enactment are appropriated by the general assembly to
9 11 the department of workforce development to be placed in the
9 12 unemployment compensation trust fund. The computation date in

9 13 Code section 96.19(8) is delayed until federal funds are
9 14 received but only until September 5, 2009, if the funds are
9 15 not received by then.
9 16 The amendment in the bill to Code section 96.3 applies to
9 17 any week of unemployment benefits that begins on or after July
9 18 5, 2009. The amendment in the bill to Code section 96.4
9 19 applies to any new claim with an effective date on or after
9 20 July 5, 2009.
9 21 LSB 1434SV 83
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